

## **INDEMNIFICATION AGREEMENT**

THIS INDEMNIFICATION AGREEMENT is made and entered into this 10<sup>th</sup> day of April, 2014, by and between the County of Los Angeles ("County") and Freeport-McMoRan Oil & Gas LLC.

### **RECITALS**

1. This Agreement is entered into pursuant to, and in compliance with, section 22.44.142.G.3 of Title 22 of the Los Angeles County Code ("County Code") which requires the operator of oil and gas extraction operations within the boundaries of the Baldwin Hills Community Standards District ("CSD") to indemnify the County and hold it harmless for damages arising from said operations.
2. Freeport-McMoRan Oil & Gas LLC ("FM O&G") is the current operator of said oil and gas extraction operations.
3. Section 22.44.142 et seq. of the County Code allows oil and gas extraction activities within the boundaries of the CSD subject to regulations and controls set forth in said code sections.
4. Now, therefore, for good and valuable consideration, the parties agree as follows:

### **TERMS**

5. To the maximum extent permitted by law, FM O&G agrees to indemnify, hold harmless, and defend the County, its elected and appointed officials, agents, officers, and employees ("Indemnified Parties") from and against any and all liability and expense, of any nature whatsoever, including, but not limited to, claims, demands, actions fees, costs, expenses, fees and lawsuits for injuries, damages, or losses (alleged or actual and regardless of when made), which may directly or indirectly arise from, relate to, or be connected with: (1) acts or omissions of FM O&G, its employees, agents, servants, receivers, contractors, subcontractors, successors, or assigns in the conduct of FM O&G's operations, including but not limited to FM O&G's performance of its oil and gas operations which include, without limitation, drilling, extraction, well abandonment, post-abandonment activities, and FM O&G's compliance with the requirements of Title 22.44.142-Baldwin Hills Community Standards District; and/or (2) any and all pollution liability, contamination, or environmental degradation liability, arising from or relating to any threatened, actual or alleged discharge, dispersal, release, or escape of any substance into or upon any person, thing, or place including the land, soil, atmosphere, man-made structure, and/or any above or below ground watercourse or body of water, in connection with FM O&G's operations.
6. FM O&G shall immediately notify the Indemnified Parties of any reportable discharge, release, or escape of any liquid hydrocarbon products, water, waste water, mud, or other substances from FM O&G's premises. All actions to investigate, remove, or remediate any substance reasonably demonstrated to be discharged, dispersed, released or escaped from FM O&G's premises and arising from or relating to FM O&G's operations thereon, and to repair or restore FM O&G's premises, including but not limited to real property and any

appurtenances necessary and appropriate to the site operations, shall be the sole responsibility of FM O&G and shall be conducted by FM O&G and/or its employees and/or contractors in conformance with any laws, ordinances, rules, regulations, requirements, and orders whatsoever, present or future, of the federal, state, County, or other applicable local government and at FM O&G's sole cost and expense. If FM O&G fails to take any action required pursuant to this section, the Indemnified Parties may, but shall not be obligated to, take all actions they deem appropriate with respect to the released substance at FM O&G's expense. In such event, upon written demand by the Indemnified Parties, FM O&G shall reimburse the Indemnified Parties for all expenses reasonably incurred in connection with their above-described actions including, but not limited to, all direct and indirect costs related to investigation, remediation, and removal.

7. FM O&G also agrees it shall not seek contribution or compensation of any nature from the Indemnified Parties, nor shall it make any claims against or assert any interest in the Draw Down Account maintained by the Department of Regional Planning in order to cover its liabilities pursuant to this Indemnification Agreement.
8. This Indemnification Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California without giving effect to the principles of conflict of laws of the State of California.
9. In the event any provision of this Indemnification Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision.
10. This Indemnification Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
11. The signatories below confirm and acknowledge that they have the authority to bind the respective entity on whose behalf they have signed this agreement.

IN WITNESS WHEREOF, the parties have executed this Indemnification Agreement as of the date written first above.

Richard Bruckner, Director  
Department of Regional Planning  
COUNTY OF LOS ANGELES



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FREEPORT-MCMORAN OIL & GAS LLC



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Steven P. Rusch, Vice President